

CITY OF BISMARCK POLICE PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008

	August-08				July-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Month Policy Net ROR	Market Value	Allocation	Actual	Month Policy Net ROR	Fiscal YTD	FY08	Ended 6/30/2008 Net	Ended 6/30/2008 Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	756,179	3.3%	3.4%	-0.44%	759,372	3.3%	3.4%	-1.18%	-1.61%	-6.96%	8.22%	N/A
Total Structured Growth	756,179	3.3%	3.4%	-0.44%	759,372	3.3%	3.4%	-1.18%	-1.61%	-6.96%	8.22%	10.32%
Russell 1000 Growth				1.08%				-1.90%	-0.84%	-5.96%	5.91%	7.32%
<i>Structured Value</i>												
LSV	690,520	3.0%	3.4%	1.68%	678,832	3.0%	3.4%	-0.19%	1.49%	-22.29%	3.56%	11.19%
Russell 1000 Value				1.70%				-0.36%	1.33%	-18.78%	3.53%	8.92%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	620,667	2.7%	2.8%	0.64%	616,645	2.7%	2.8%	-1.72%	-1.09%	-10.70%	6.55%	9.03%
Russell 1000				1.38%				-1.16%	0.20%	-12.36%	4.81%	8.22%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	291,445	1.3%	1.4%	1.69%	286,598	1.3%	1.4%	-0.49%	1.19%	-15.84%	3.14%	6.72%
Westridge	650,313	2.9%	3.1%	1.58%	639,687	2.8%	3.1%	-0.73%	0.85%	-12.25%	4.94%	8.02%
Wells Capital	474,664	2.1%	2.2%	-3.65%	491,964	2.2%	2.2%	-3.81%	-7.32%	-31.59%	N/A	N/A
European Credit Management	304,218	1.3%	1.4%	0.27%	303,255	1.3%	1.4%	-3.19%	-2.92%	N/A	N/A	N/A
Prudential	351,912	1.5%	1.5%	-0.28%	352,897	1.5%	1.5%	-1.17%	-1.45%	N/A	N/A	N/A
Franklin	305,277	1.3%	1.4%	1.48%	300,534	1.3%	1.4%	-0.90%	0.56%	-13.65%	N/A	N/A
Total Enhanced S&P 500 Index	2,377,828	10.4%	11.1%	0.06%	2,374,935	10.4%	11.1%	-1.76%	-1.70%	-18.66%	2.40%	6.45%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.58%
<i>Absolute Return Strategy</i>												
Epoch	334,012	1.5%	1.7%	1.26%	329,518	1.4%	1.7%	-2.04%	-0.81%	-6.84%	N/A	N/A
S&P 500				1.45%				-0.84%	0.59%	-13.12%		
<i>S&P 500 Index</i>												
State Street	357,582	1.6%	1.7%	0.31%	356,392	1.6%	1.7%	-1.16%	-0.85%	-18.23%	2.99%	6.70%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.58%
TOTAL LARGE CAP DOMESTIC EQUITY	5,136,789	22.6%	24.0%	0.36%	5,115,695	22.4%	24.0%	-1.44%	-1.08%	-16.11%	4.22%	8.17%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.58%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	1,793,028	7.9%	8.6%	1.85%	1,763,383	7.7%	8.6%	1.18%	3.05%	-22.41%	1.06%	8.52%
Russell 2000 + 200bp				3.78%				3.87%	7.79%	-14.48%	5.88%	12.50%
Callan	767,155	3.4%	3.4%	3.13%	744,267	3.3%	3.4%	0.49%	3.64%	-15.44%	N/A	N/A
Russell 2000				3.61%				3.70%	7.45%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	2,560,183	11.3%	12.0%	2.23%	2,507,650	11.0%	12.0%	0.97%	3.22%	-20.36%	2.11%	9.20%
Russell 2000				3.61%				3.70%	7.45%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	232,166	1.0%	1.1%	-5.22%	244,795	1.1%	1.1%	-3.73%	-8.76%	-13.11%	12.40%	14.27%
MSCI EAFE (1)				-4.05%				-3.21%	-7.13%	-10.61%	12.84%	14.86%
<i>Large Cap - Active</i>												
Capital Guardian	731,270	3.2%	3.3%	-3.12%	753,986	3.3%	3.3%	-3.93%	-6.93%	-13.89%	11.58%	14.15%
LSV	702,427	3.1%	3.3%	-0.99%	709,283	3.1%	3.3%	-2.78%	-3.75%	-23.98%	8.07%	N/A
Total Large Cap - Active	1,433,697	6.3%	7.7%	-2.09%	1,463,269	6.4%	7.7%	-3.38%	-5.40%	-20.05%	9.04%	13.03%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%
<i>Small Cap - Active</i>												
DFA	230,147	1.0%	1.1%	-3.22%	237,805	1.0%	1.1%	-0.44%	-3.65%	N/A	N/A	N/A
Wellington	231,267	1.0%	1.1%	-4.79%	242,632	1.1%	1.1%	-5.49%	-10.01%	-15.19%	9.83%	16.11%
Total Small Cap - Active	461,414	2.0%	2.2%	-4.01%	480,437	2.1%	2.2%	-3.00%	-6.89%	-15.60%	9.53%	16.89%
S&P/Citigroup BMI EPAC < \$2BN				-5.40%				-4.30%	-9.47%	-19.12%	10.36%	19.26%
TOTAL INTERNATIONAL EQUITY	2,127,277	9.3%	11.0%	-2.86%	2,188,501	9.6%	11.0%	-3.33%	-6.10%	-18.47%	9.51%	13.93%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	104,103	0.5%	0.5%	-5.72%	110,335	0.5%	0.5%	-3.11%	-8.65%	3.57%	N/A	N/A
PanAgora	102,535	0.5%	0.5%	-9.00%	112,596	0.5%	0.5%	-3.88%	-12.52%	7.21%	N/A	N/A
WestLB	104,745	0.5%	0.5%	-9.44%	115,898	0.5%	0.5%	-4.13%	-13.18%	11.12%	N/A	N/A
UBS	141,888	0.6%	0.6%	-6.69%	151,649	0.7%	0.9%	-4.18%	-10.59%	5.82%	N/A	N/A
Total Core	453,271	2.0%	2.1%	-7.65%	490,479	2.1%	2.4%	-3.87%	-11.23%	6.87%	27.76%	29.00%
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	4.89%	27.52%	22.84%
<i>Small Cap</i>												
DFA	108,434	0.5%	0.6%	-6.04%	115,404	0.5%	0.6%	-1.57%	-7.52%	-13.68%	N/A	N/A
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	4.89%		
<i>Private Equity</i>												
Capital International	50,256	0.2%	0.2%	0.00%	41,966	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%			
<i>Infrastructure</i>												
JP Morgan	25,281	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	637,243	2.8%	3.0%	-6.87%	647,849	2.8%	3.0%	-3.25%	-9.89%	2.99%	27.07%	28.58%
MSCI Emerging Markets				-7.95%				-3.69%	-11.35%	4.89%	27.52%	30.15%

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DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	461,070	2.0%	1.9%	1.13%	450,399	2.0%	1.9%	-2.53%	-1.42%	-0.30%	1.78%	2.90%
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
Index												
Bank of ND	732,281	3.2%	2.6%	0.90%	714,332	3.1%	3.0%	0.04%	0.93%	7.70%	3.93%	3.57%
Total Index	732,281	3.2%	2.6%	0.90%	714,332	3.1%	3.0%	0.04%	0.93%	7.70%	4.17%	3.91%
Lehman Gov/Credit				0.92%				0.00%	0.92%	7.24%	3.84%	3.58%
Enhanced												
Westridge	439,532	1.9%	1.6%	1.55%	426,066	1.9%	1.6%	0.92%	2.48%	N/A	N/A	N/A
Lehman Aggregate				0.95%				-0.08%	0.87%			
Convertibles												
Calamos (2)	486,128	2.1%	1.9%	0.27%	476,641	2.1%	1.9%	-1.31%	-1.04%	-2.86%	N/A	N/A
Total Convertibles	486,128	2.1%	1.9%	0.27%	476,641	2.1%	1.9%	-1.31%	-1.04%	-2.86%	4.55%	2.71%
Merrill Lynch All Convertibles (3)				-0.37%				-3.13%	-3.49%	-6.36%	5.72%	6.36%
BBB Average Quality												
Wells Capital	499,784	2.2%	1.9%	0.69%	583,080	2.6%	1.9%	-0.60%	0.09%	3.70%	3.26%	4.56%
Lehman BBB				0.80%				-0.67%	0.13%	2.62%	2.52%	3.44%
Senior Debt												
PIMCO	160,678	0.7%	0.7%	0.00%	79,084	0.3%	0.3%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%		
Private Debt												
Prudential	474,422	2.1%	1.9%	0.17%	466,522	2.0%	1.9%	0.27%	0.43%	3.32%	3.41%	N/A
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%		
Timberland												
TIR - Teredo (4)	591,012	2.6%	2.6%	-0.05%	581,785	2.5%	2.5%	-0.05%	-0.09%	22.02%	15.15%	14.07%
TIR - Springbank	1,300,406	5.7%	5.7%	-0.14%	1,280,108	5.6%	5.6%	-0.14%	-0.29%	15.25%	18.41%	N/A
Total Timberland	1,891,418	8.3%	8.3%	-0.11%	1,861,892	8.2%	8.2%	-0.11%	-0.23%	17.50%	17.86%	21.14%
NCREIF Timberland Index				0.34%				0.34%	0.67%	19.96%	17.12%	14.70%
Infrastructure												
JP Morgan	944,479	4.2%	4.2%	3.18%	900,577	3.9%	3.9%	-0.13%	3.04%	13.28%	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	6,089,791	26.8%	24.5%	0.85%	5,958,593	26.1%	24.5%	-0.32%	0.53%	9.02%	8.15%	9.65%
Lehman Aggregate				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
HIGH YIELD BONDS												
Core												
Loomis Sayles	564,780	2.5%	1.9%	-0.91%	568,071	2.5%	2.0%	-1.44%	-2.34%	-1.43%	5.39%	N/A
Sutter/Wells Capital	499,348	2.2%	1.9%	-0.06%	501,239	2.2%	2.0%	-1.35%	-1.41%	-6.12%	2.58%	N/A
Total Core	1,064,128	4.7%	3.9%	-0.51%	1,069,310	4.7%	3.9%	-1.40%	-1.91%	-3.71%	4.01%	4.88%
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%	-1.75%	4.48%	N/A
Mezzanine Debt												
Goldman Sachs 2006 Fund	32,504	0.1%	0.1%	0.00%	32,504	0.1%	0.1%	0.00%	0.00%	-3.89%	N/A	N/A
Goldman Sachs Fund V	47,062	0.2%	0.2%	0.00%	43,873	0.2%	0.2%	0.00%	0.00%	N/A	N/A	N/A
TCW	84,083	0.4%	0.4%	0.85%	77,640	0.3%	0.3%	0.00%	0.85%	7.26%	N/A	N/A
Total Mezzanine Debt	163,648	0.7%	0.7%	0.43%	154,017	0.7%	0.7%	0.00%	0.43%	0.49%	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%	-1.75%		
Distressed Mortgages												
PIMCO	76,489	0.3%	0.3%	0.00%	76,489	0.3%	0.3%	0.00%	0.00%	N/A	N/A	N/A
Declaration Management	19,639	0.1%	0.1%	0.96%	19,453	0.1%	0.1%	0.00%	0.96%	N/A	N/A	N/A
Total Distressed Mortgages	96,128	0.4%	0.4%	0.19%	95,942	0.4%	0.4%	0.00%	0.19%	N/A	N/A	N/A
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%			
TOTAL HIGH YIELD BONDS	1,323,904	5.8%	5.0%	-0.33%	1,319,269	5.8%	5.0%	-1.16%	-1.49%	-4.27%	3.82%	6.32%
LB High Yield 2% Issuer Contstrained Index				0.31%				-1.25%	-0.95%	-1.75%	4.48%	6.88%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	982,039	4.3%	4.5%	-2.68%	1,009,711	4.4%	4.5%	0.37%	-2.32%	17.24%	5.56%	6.49%
Citigroup Non-US Gov't Bond Index (5)				-2.80%				0.16%	-2.65%	18.73%	6.63%	7.04%
International Core												
Brandywine	1,044,657	4.6%	4.5%	-2.46%	1,073,267	4.7%	4.5%	0.85%	-1.63%	10.78%	7.06%	8.51%
Lehman Global Aggregate (ex-US)				-3.29%				0.27%	-3.03%	16.53%	7.88%	7.38%
TOTAL INTERNATIONAL FIXED INCOME	2,026,696	8.9%	9.0%	-2.57%	2,082,977	9.1%	9.0%	0.62%	-1.97%	13.90%	6.31%	7.50%
Citigroup Non-US Gov't Bond Index (5)				-2.80%				0.16%	-2.65%	18.73%	6.66%	7.06%
REAL ESTATE												
INVESCO - Core	946,004			-0.03%	946,004			-0.03%	-0.07%	8.27%	N/A	N/A
INVESCO - Fund II	20,629			0.00%	20,629			0.00%	0.00%	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	894,111			0.06%	892,793			-0.22%	-0.15%	5.69%	15.27%	15.26%
J.P. Morgan Alternative Property Fund	240,094			-0.20%	240,094			-0.20%	-0.40%	4.59%	N/A	N/A
J.P. Morgan Greater China Property Fund	22,972			0.00%	22,972			0.00%	0.00%	N/A	N/A	N/A
TOTAL REAL ESTATE	2,123,810	9.3%	8.5%	-0.01%	2,122,492	9.3%	8.5%	-0.13%	-0.14%	6.31%	15.27%	15.26%
NCREIF TOTAL INDEX				0.19%				0.19%	0.37%	9.20%	14.82%	14.63%

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	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2008	6/30/2008
											Net	Net
ALTERNATIVE INVESTMENTS												
Coral Partners V	30,989			0.00%	30,989			0.00%	0.00%	9.09%	5.22%	-8.23%
Coral Partners V - Supplemental	3,619			0.00%	3,619			0.00%	0.00%	-6.34%	3.94%	6.41%
Coral Momentum Fund (Formerly Fund VI)	50,367			0.00%	51,936			0.00%	0.00%	13.96%	-3.63%	-7.09%
Brinson 1998 Partnership Fund	3,678			0.00%	3,678			0.00%	0.00%	6.92%	17.74%	16.40%
Brinson 1999 Partnership Fund	11,104			0.00%	11,104			0.00%	0.00%	13.32%	15.81%	14.25%
Brinson 2000 Partnership Fund	37,257			0.00%	37,257			0.00%	0.00%	21.82%	21.03%	17.78%
Brinson 2001 Partnership Fund	31,349			0.00%	31,349			0.00%	0.00%	2.23%	12.37%	9.49%
Brinson 2002 Partnership Fund	16,213			0.00%	17,048			0.00%	0.00%	3.20%	14.93%	10.72%
Brinson 2003 Partnership Fund	5,839			0.00%	5,839			0.00%	0.00%	-6.42%	16.42%	8.89%
Total Brinson Partnership Funds	105,439			0.00%	106,274			0.00%	0.00%	13.85%	17.75%	14.80%
Brinson 1999 Non-US Partnership Fund	5,270			0.00%	5,270			0.00%	0.00%	-9.78%	38.86%	33.76%
Brinson 2000 Non-US Partnership Fund	11,991			0.00%	12,778			0.00%	0.00%	-27.03%	38.56%	28.82%
Brinson 2001 Non-US Partnership Fund	8,634			0.00%	8,634			0.00%	0.00%	13.44%	15.89%	14.66%
Brinson 2002 Non-US Partnership Fund	21,890			0.00%	21,890			0.00%	0.00%	14.08%	43.86%	31.81%
Brinson 2003 Non-US Partnership Fund	17,288			0.00%	18,734			0.00%	0.00%	24.92%	42.47%	23.29%
Brinson 2004 Non-US Partnership Fund	8,995			0.00%	8,995			0.00%	0.00%	29.16%	25.88%	N/A
Total Brinson Non-US Partnership Fund	74,068			0.00%	76,301			0.00%	0.00%	18.83%	37.12%	28.34%
Adams Street 2008 Non-US Partnership Fd	1,608			0.00%	1,409			0.00%	0.00%	N/A	N/A	N/A
Brinson BVCF IV	55,812			0.00%	52,122			0.00%	0.00%	-1.94%	7.62%	9.88%
Adams Street Direct Co-investment Fund	63,806			0.00%	57,292			0.00%	0.00%	4.06%	N/A	N/A
Matlin Patterson Global Opportunities	20,696			0.00%	28,352			0.00%	0.00%	-29.56%	-11.62%	9.60%
Matlin Patterson Global Opportunities II	107,616			0.00%	120,321			0.00%	0.00%	-5.55%	8.69%	N/A
Matlin Patterson Global Opportunities III	60,263			0.00%	59,587			0.00%	0.00%	-20.02%	N/A	N/A
InvestAmerica	27,051			0.00%	28,585			0.00%	0.00%	27.36%	13.22%	1.67%
Hearthstone MSII	309			0.00%	309			0.00%	0.00%	-62.01%	-100.00%	-100.00%
Hearthstone MSIII	5,374			0.00%	5,374			0.00%	0.00%	-10.75%	63.82%	N/A
Corsair III	50,459			0.00%	50,459			0.00%	0.00%	64.04%	N/A	N/A
Corsair III - ND Investors LLC	36,185			0.00%	36,185			0.00%	0.00%	N/A	N/A	N/A
Quantum Resources	858			0.00%	10,821			0.00%	0.00%	-52.44%	N/A	N/A
Quantum Energy Partners	10,638			0.00%	9,094			0.00%	0.00%	-3.17%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	705,158	3.1%	3.0%	0.00%	729,032	3.2%	3.0%	0.00%	0.00%	3.86%	10.51%	11.17%
CASH EQUIVALENTS												
Northern Trust STIF	6,613			0.19%	144,819			0.19%	0.38%	0.70%	3.40%	2.76%
Bank of ND	17,213			0.16%	-			N/A	N/A	N/A	N/A	N/A
TOTAL CASH EQUIVALENTS	23,826	0.1%	0.0%	0.17%	144,819	0.6%	0.0%	0.19%	0.35%	0.70%	3.61%	3.40%
90 Day T-Bill				0.16%				0.18%	0.33%	3.63%	4.27%	3.18%
TOTAL FUND	22,754,676	100.0%	100.0%	-0.17%	22,816,877	100.0%	100.0%	-0.75%	-0.92%	-0.42%	8.95%	11.22%
POLICY TARGET BENCHMARK				0.36%				-0.23%	0.13%	1.00%	7.47%	8.98%

NOTE: Monthly returns and market values are preliminary and subject to change.

- (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.
- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.
- (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.
- (4) Prior to June 1, 2006, the Toledo properties were under the management of RMK.
- (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
- (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.